

Duke Energy Progress
Cost of Capital - Electric Operations
12 Months Ended December 31, 2017
Dollars in Thousands

		Total Company											
Line No.	Description	Per Books						As Adjusted					
		Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income	Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)
		\$	%	\$	%	%	\$	\$	%	\$	%	%	\$
1	Long Term Debt	\$ 7,257,297	46.85%	\$ 6,285,341	4.06%	1.90%	\$ 255,185	\$ 7,257,297	46.85%	\$ 6,945,466	4.06%	1.90%	\$ 281,986
2	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
3	Common Equity	8,233,254	53.15%	7,130,542	9.18%	4.88%	654,691	8,233,254	53.15%	7,879,434	6.58%	3.50%	518,321
4	Total	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 13,415,883</u>			<u>\$ 909,876</u>	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 14,824,900</u>			<u>\$ 800,307</u>
		SC Retail											
Line No.	Description	Per Books						As Adjusted					
		Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income	Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)
		\$	%	\$	%	%	\$	\$	%	\$	%	%	\$
5	Long Term Debt	\$ 7,257,297	46.85%	\$ 694,360	4.06%	1.90%	\$ 28,191	\$ 7,257,297	46.85%	\$ 766,901	4.06%	1.90%	\$ 31,136
6	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
7	Common Equity	8,233,254	53.15%	787,732	10.11%	5.37%	79,661	8,233,254	53.15%	870,027	7.24%	3.85%	62,971
8	Total	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 1,482,092</u>			<u>\$ 107,852</u>	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 1,636,928</u>			<u>\$ 94,107</u>
		Wholesale											
Line No.	Description	Per Books						As Adjusted					
		Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income	Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)
		\$	%	\$	%	%	\$	\$	%	\$	%	%	\$
9	Long Term Debt	\$ 7,257,297	46.85%	\$ 1,511,290	4.06%	1.90%	\$ 61,358	\$ 7,257,297	46.85%	\$ 1,686,521	4.06%	1.90%	\$ 68,473
10	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
11	Common Equity	8,233,254	53.15%	1,714,516	6.16%	3.27%	105,628	8,233,254	53.15%	1,913,310	5.03%	2.67%	96,267
12	Total	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 3,225,806</u>			<u>\$ 166,986</u>	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 3,599,831</u>			<u>\$ 164,740</u>
		Other Retail											
Line No.	Description	Per Books						As Adjusted					
		Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income	Amount	Ratio	Retail Rate Base	Embedded Cost/Return	Weighted Cost/Return	Operating Income
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)
		\$	%	\$	%	%	\$	\$	%	\$	%	%	\$
13	Long Term Debt	\$ 7,257,297	46.85%	\$ 4,079,691	4.06%	1.90%	\$ 165,635	\$ 7,257,297	46.85%	\$ 4,492,044	4.06%	1.90%	\$ 182,377
14	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
15	Common Equity	8,233,254	53.15%	4,628,294	10.14%	5.39%	469,402	8,233,254	53.15%	5,096,097	7.05%	3.75%	359,084
16	Total	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 8,707,985</u>			<u>\$ 635,037</u>	<u>\$ 15,490,551</u>	<u>100.00%</u>	<u>\$ 9,588,141</u>			<u>\$ 541,461</u>

[A] Long Term Debt includes Mortgage and Pollution Control Bonds, Senior Debt, Unamortized Debt Expense and Discounts and Premiums. Current maturities are excluded.

[B] Includes net of tax Piedmont merger costs to achieve of approximately \$914 thousand.